

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER 02-30	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: October 1, 2002	

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☒ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☐ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT a. FFY 03 \$(\$10,000,000) b. FFY 04 \$(\$10,000,000)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 1 to Attachment 4.19B, Pages 1, 2, & 3 14 VD	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Supplement 1 to Attachment 4.19B, Page 1, 2, 3

10. SUBJECT OF AMENDMENT:

MEDICARE/MEDICAID payments

11. GOVERNOR'S REVIEW (Check One)

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL:

Jackie Garner

13. TYPED NAME: Jackie Garner

14. TITLE: DIRECTOR

15. DATE SUBMITTED

16. RETURN TO:

ILLINOIS DEPARTMENT OF PUBLIC AID
201 SOUTH GRAND AVENUE, EAST
SPRINGFIELD, IL. 62763-0001
ATTENTION: John Rupcich

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 1/16/03
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Cheryl A. Harris</i>
21. TYPED NAME: Cheryl A. Harris	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: **Illinois**

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

Except for a nominal recipient co-payment (as specified in Attachment 4.18 of this State plan, if applicable, the Medicaid agency uses the following general method for payment:

1. Payments are limited to State plan rates and payment methodologies for the groups and payments listed below and designated with the letters "SP".
- 10/02 For specific Medicare services which are not otherwise covered by this State plan, the Medicaid agency uses Medicare payment rates unless a special rate or method is set out on page 3 in item I of this attachment (see 3 Below).
2. Payments are up to the full amount of the Medicare rate for the groups and payments listed below, and designated with the letters "MR".
3. Payments are up to the amount of a special rate, or according to a special method, described on Page 3 in item NA of this attachment, for those groups and payments listed below and designated with the letters "NR".
4. Any exceptions to the general methods used for a particular group or payment are specified on Page 3 of this attachment.

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Payment of Medicare Part A and Part B Deductible/Coinsurance

10/02	QMBs:	Part A	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
		Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
10/02	Other Medicaid recipients:	Part A	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
		Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
10/02	Dual eligible (QMB plus):	Part A	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
		Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance

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- 10/02 I. For those Title XVIII services not otherwise covered by the Title XIX State Plan, the Medicaid agency will establish rates for those services at 80% of the full Medicare allowable charge for use in determining the amount of coinsurance and deductible due the provider.
- 10/02 II. Full co-insurance is applicable to Medicare Part A skilled nursing services.
- 10/02 III. For certain drugs and medical supplies provided by a pharmacy or DME provider only, when covered by Medicare, the Department will pay the full coinsurance and deductible amounts. When not covered by Medicare, the Department will reimburse the pharmacy or DME provider according to its regular Medicaid reimbursement methodologies. A detailed list of the applicable drugs and supplies is available on the IDPA web site (<http://www.state.il.us/dpa/>). The Department will alert enrolled pharmacies and outpatient hospital pharmacies of any additions, deletions, and changes to this list via a "Informational Notice" to those providers.
- 01/95 IV. For Qualified Medicare Beneficiaries (QMBs) enrolled in Medicare Plus Choice Health Maintenance Organizations (HMOs), the capitated payment for coinsurance and deductibles will be negotiated with the HMO. The maximum monthly capitated payment rates will be determined as follows, using State fiscal year 1994 data:
- 5) Segregate the eligible QMB population into separate categories according to:
- 1) the geographic rate-setting areas utilized in determining the capitated payment rates for Medicaid managed care organizations;
 - 2) age (less than 65 years, 65 to 74, 75 to 84, 85 to 94 and greater than or equal to 95); and
 - 3) gender
- b) Within each eligible QMB category, the total Medicare Part A and Part B deductibles and co-payments paid by the Department will be compiled and then divided by the total eligible months for QMBs of that category. The resulting average expenditure amount will be the monthly fee-for-service equivalent for that eligible QMB category.
- c) Rate cells will be combined if the respective fee-for-service equivalents are not statistically different, or if the population for a cell is not great enough for a valid average utilization calculation.

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- d) For maximum rates to be paid for State fiscal year 1995 services, the FY1994 fee-for-service equivalent will be inflated according to the 1994 fourth quarter DRI Health Care Cost Inflation Index for the North Central States. For the maximum rates to be paid for State fiscal years 1996 and later, the base FY1994 claims will be inflated by the average of the four quarters of the DRI inflators for each year through the year for which the maximum rate will be calculated.
- e) The inflated fee-for-service equivalent will then be multiplied by 0.92 for an eight percent cost savings, thus establishing the HMO maximum rates for QMBs.

TN No. **02-30**

Approval date: **xx/xx/xxxx**

Effective date: **10/01/2002**

Supersedes

TN No. [NA]